



## **Council Member Amanda Edwards, At Large Position 4**

Testimony in front of House State Affairs Committee against House Bill 3535

April 1<sup>st</sup>, 2019

Thank you, Mr. Chairman, and a thank you to Members of the House State Affairs Committee. My name is Amanda Edwards, and as at-large city council member representing over 2 million constituents, and as vice chair of the Budget and Fiscal Affairs Committee of Houston's City Council, I am here to testify against House Bill 3535. I urge you to consider the fiscal impact of this bill on cities, which are the economic engine of Texas.

This proposed legislation would limit cities' ability to collect franchise fees for the use of our right-of-way by telecom and cable companies. Companies would be able to choose between paying a telephone franchise fee or a cable franchise fee but would not have to pay both, even if they are financially profiting from both businesses and using public right-of-way for private gain.

The City holds the right-of-way in trust for its citizens. As steward of this important and coveted asset, the City has a duty to manage the right-of-way for its primary purpose — pedestrian and vehicular traffic. Under the State Constitution, the City is allowed to be compensated by those private entities that benefit (and profit) from the use of public property.

The City of Houston operates under a revenue cap. We were hit hard by Hurricane Harvey, along with many of our neighboring cities and counties. We are now implementing Proposition B, a voter-approved pay raise for firefighters expected to add another \$80 million to the budget gap, which is now projected to be \$197 million.

City Council and the Mayor work together every year to close that budget gap, often by making difficult decisions and cuts. This proposed bill would make our budgeting process even more challenging by adding a cut between \$17 and \$27 million annually, adding uncertainty to our revenue projections. HB 3535 would require cities to estimate the decisions of multiple companies based on revenue generated in prior calendar years across thousands of cities in Texas. This further complicates our attempts to prepare an accurate and reliable budget.

Telecommunications and cable/video service providers profit from using the public right-of-way. Therefore, value-based rental fees allow a municipality, as steward of this asset, to collect the fair value for the use of the taxpayer's property. We, as council members, are the ones who get calls from citizens when impediments limit the access to a sidewalk or public facility.

We respectfully ask that you continue to allow us to be compensated by those private entities that profit from the use of public property.